For Cycles other than Bicycles which are reserved for small scale sector (turnover not exceeding Rs. 3 Crores), the government has made a provision for excise duty exemption upto a turnover of Rs. 50 lakhs, a 5% *ad-valorem* duty (without CENVAT credit) between Rs.50 lakhs and Rs. 1 Crore and normal duty with CENVAT credit beyond this level.

The Government would provide assistance to upgrade the technology in the Cycle sector under Technology Modernisation and Upgradation Scheme and Industrial Infrastructure Upgradation Scheme.

Decline in Industrial Growth

*97. SHRI GHULAM NABI AZAD:
DR.T. SUBBARAMI REDDY:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Centre for Monitoring Indian Economy has pointed out that industrial production growth has declined in the second half of the current fiscal year;

(b) if so, whether the industrial growth in the first half has been robust and the production of consumer durables would decline in the second half of 2002-2003;

(c) if so, the other details mentioned in the report of CMIE;

(d) the main reasons put forward by them; and

(e) the steps being taken to improve the industrial growth?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY): (a) Centre for Monitoring Indian Economy (CMIE) has pointed out that after four consecutive months of buoyant industrial growth, there was a slowdown in November 2002, when a growth of 3-6% was registered. CMIE, however, has revised upwards their forecast of growth in the Index of Industrial Production (IIP) for 2002-2003 to 5% from 4% projected earlier.

(b) Industrial production registered a growth of 5.4% during first half (April-September) of the current fiscal year as compared to 2.4% in April-

September 2001 -02. While some consumer durables have done well, in IIP, consumer durables registered a decline of (-) 6.5% during the same period.

As per the latest data available, consumer durables declined by 4% during October-December 2002-03.

(c) and (d)The slowdown in November has mainly been attributed to sharp decline of (-) 7.1% in the production index of food products. Other main points highlighted in the CMIE report are as below:

- The poor monsoon of the current year severely affected oilseeds production.
- The core sector also slowed down in November 2002.
- Steel, cement, ready-made garments, automobiles and select category of consumer durables have fared extremely well. The government's initiatives in consumer durables have fared extremely well. The government's initiatives in setting up road projects across the country have boosted demand for cement and steel.
- The financial performance of 525 companies in December 2002 quarter reflects robust performance, with aggregate sale growing by 14.7%. Profitability was also much higher, partly due to greater operating efficiency but mostly due to saving in interest costs.

(e) The Government has taken following measures for improving industrial growth:

- The Reserve Bank has announced measures for stepping up growth momentum with stimulus to agriculture, housing, small-scale sector and exports in its credit policy for 2002-03. It also aims at facilitating better credit delivery and moving forward with structural reforms.
- The RBI has cut Cash Reserve Ratio (CRR) to 4.75 per cent from 5.0 percent, a move that will ease the liquidity position further.

- The draft Electricity Bill has been introduced in the Parliament for facilitating comprehensive power sector reforms.
- Power sector reforms have received a boost in pursuance of the centre's decision to provide grants under the Accelerated Power Development and Reform Programme (APDRP), equal to the amount by which states have been able to reduce their power sector deficits.
- The Union Budget 2002-03 has made allocations towards some of the major schemes, which will boost demand especially in construction, housing, steel, and cement sectors. These schemes include PM'S Gram Sadak Yojana, Infrastructure Equity Fund, Urban Reform Incentive Fund, City Challenge Fund, and Accelerated Power Development Reform Programme.
- To improve operating environment of the industry and to boost its competitiveness, the government has enacted several laws, which include enactment of the Competition Act and amendments to SEBI Act. The Competition Act provides for the establishment of a Commission to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect the interests of consumers and to ensure freedom of trade carried on by other participants in markets, in India, and for matters connected therewith or incidental thereto. The amendments to SEBI Act will strengthen SEBI as regulator of Capital market.
- The Government has launched Golden Quadrilateral projects for Railways, which will further boost demand for Iron & steel industry. Since Iron and steel industry has a strong forward linkage with other segments of the industry, the project will have positive impact on overall industrial growth.

Ill effects of smoking

*98. SHRI NANA DESHMUKH: Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

(a) whether Government's attention has been drawn to the news-item